

Review of Advertising Book Receipts

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What are Program Book Receipts?

Program book or ad book receipts as they are commonly called, are proceeds from the sale of ads in a program book for a fundraising affair that are not considered contributions. This is prescribed by section 9-333b(b) of the Connecticut General Statutes, which states:

“As used in this chapter, ‘contribution’ does not mean... The purchase of advertising space which clearly identifies the purchaser, in a program for a fund-raising affair, provided the cumulative purchase of such space does not exceed two hundred fifty dollars from any single candidate or the candidate’s committee with respect to any single election campaign or two hundred fifty dollars from any single party committee or other political committee in any calendar year if the purchaser is a business entity or fifty dollars for purchases by any other person...”

Since these ad sales are not considered contributions, they are not subject to the ban on business contributions as set forth in section 9-333o, of the Connecticut General Statutes.

Findings

Revenue from ads sold in program book is a significant part of the total receipts for General Assembly candidates in 2002. Such ad revenue is far less significant to statewide and municipal candidates.

Statewide Constitutional Office Candidates - 2002

There was a total of \$310,596 raised from ad book sales by candidate committees of statewide candidates, which accounted for 2.7% of their total receipts. Seven of the eight candidates received funds from the sale of ad books. The largest dollar amount was \$154,773.05 and the largest percentage of total receipts was 12.23%. Incumbent statewide candidates received more than 7 times the amount than their challengers received in receipts from ad sales. See “2002 Statewide Candidate Ad Book Receipts to Total Receipts” on page 3.

General Assembly Candidates - 2002

The Commission’s audit program for the 2002 General Assembly campaign involved a review of one half the total number of candidates seeking election (all candidates in odd number districts). Of those candidates reviewed, 13.1% of their receipts were derived from the sale of ad space in program books. Based upon our actual data from one half of the districts, we project that the total amount raised by ad book sales would be \$1,041,230. This does not include the indirect benefit from having donor political committees derive some of their revenue from program books. Incumbent candidates received 11.6 times the amount that the challengers received. See “2002 General Assembly Candidates Percentage of Ad Book Receipts to Total Receipts” on page 4, and “2002 General Assembly Candidate Ad Book Receipts as Percentage of Total Receipts - Winners vs. Losers” on page 5. 48.3% of the committees did not receive any funds from ad book sales and 10.3% received

more than 25% of their receipts from ad book sales. See *"Distribution of Ad Book Receipts - General Assembly Candidates"* on page 6.

State Ongoing Political Committees (PACs) - 2002

There was a total of \$512,663 raised from ad book sales by state PACs in 2002, representing 11% of the total receipts. See *"2002 PACs Ad Book Receipts as Percentage of Total Receipts"* on page 7 for a breakdown by ongoing committee type. The largest dollar amount raised from ad book sales by a single PAC was \$46,000 and the largest percent of total receipts was 92%. 87.4% committees did not receive any fund from ad book sales and 7.8% committees received more the 25% of their receipts from ad book sales. See *"Distribution of PAC Ad Book Receipts - 2002"* on page 8.

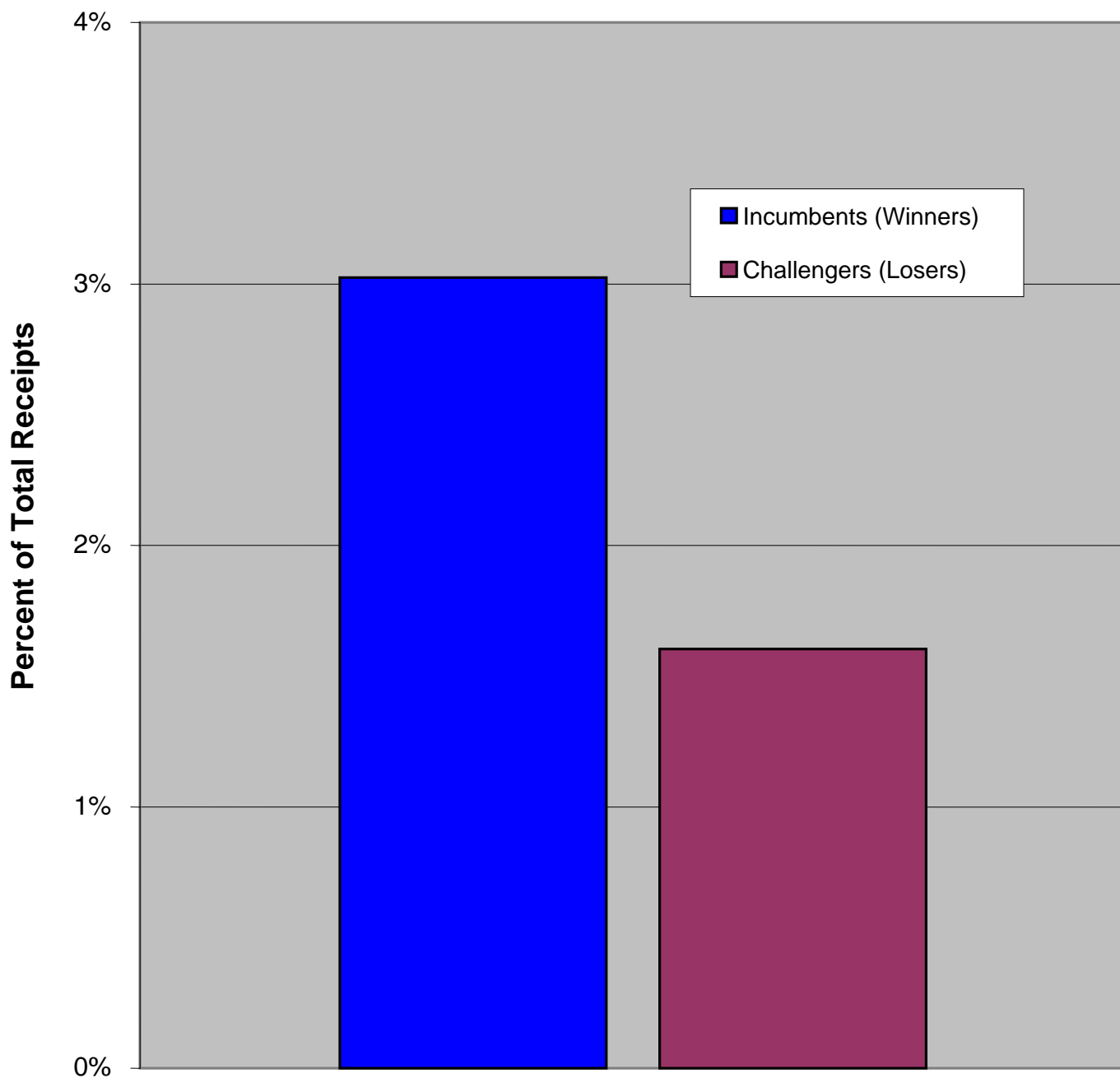
Municipal Candidates and Town Committees - 2001

For the 2001 municipal election campaign, the data suggests that municipal candidates and town committees raised considerably less in ad revenue than either state candidate committees or state ongoing political committees. Ad revenue accounted for 4.5% of all committee receipts. Based upon our actual data from one third of the municipalities, we project that the total amount raised by ad book sales would be \$568,263. See *"Ad Book Receipts as Percentage of Total Receipts for Municipal Committees - 2001"* on page 9.

Source of Data

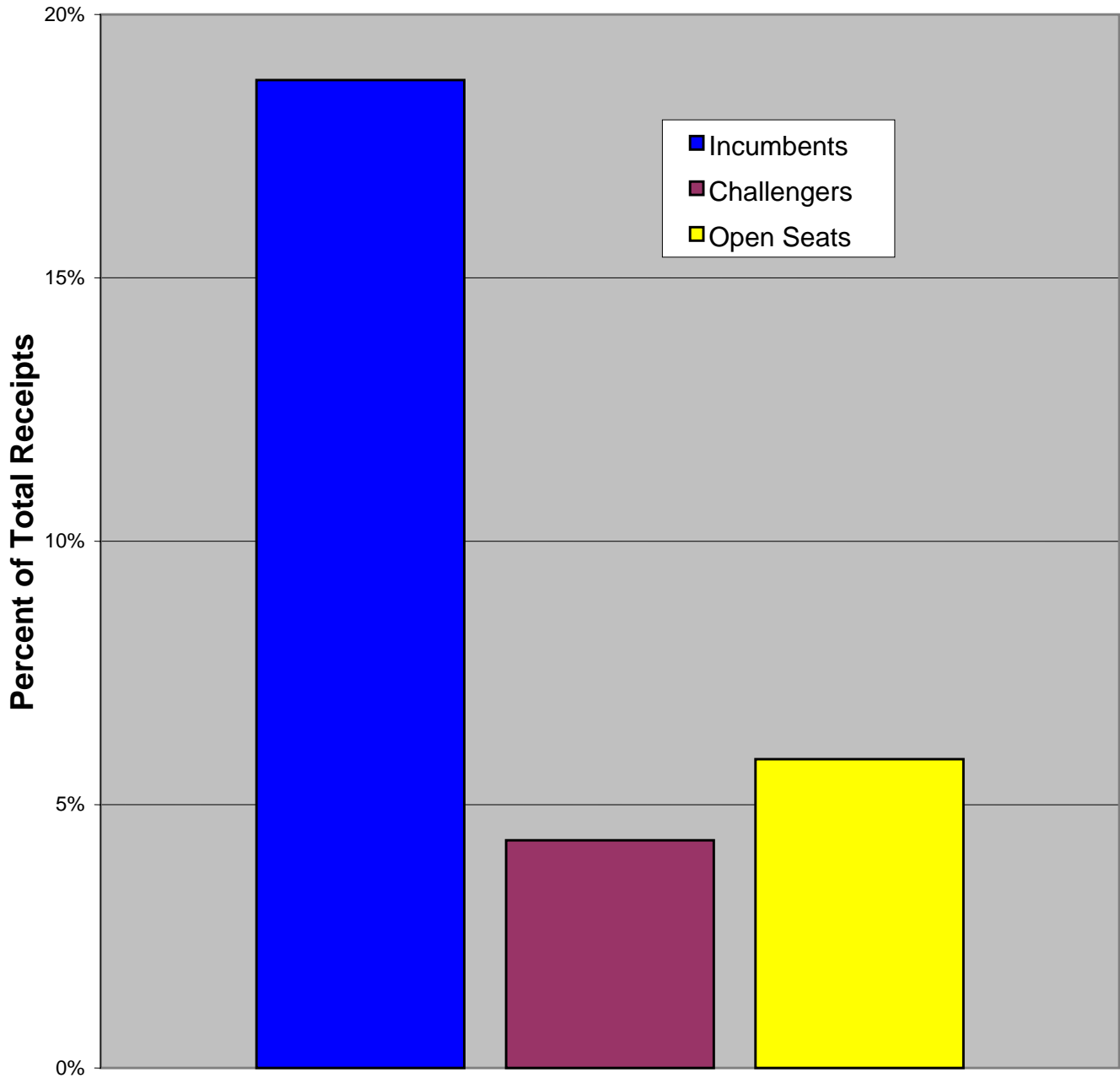
1. The data used in the analysis of the 2002 Statewide Candidates was derived from information that was available on "CFIS" and "File-It" on the Secretary of the State's website during February 2005.
2. The data used for the 2002 General Assembly Candidates was derived from the State Elections Enforcement General Assembly Audit Program of the 2002 Campaigns. There was a change in the data from the original audit report as two candidate committees updated their filings as a result of audit compliance.
3. The data used for Ongoing Political Committees for calendar year 2002 was derived from a review of total receipts of ongoing political committees conducted by staff of the State Elections Enforcement Commission.
4. The data used for both the Town Committees and Municipal Candidates Committees was derived from the State Elections Enforcement Commission Municipal Audit program of the 2001 Campaigns, in which one third of all towns were reviewed. The sample selected for the audits was representative of towns by population.

2002 Statewide Candidates Percentage of Ad Book Receipts to Total Receipts



| | <i>Incumbents (Winners)</i> | <i>Challengers (Losers)</i> |
|-------------------------|---------------------------------|---------------------------------|
| Ad Book Receipts | \$273,087 | \$ 37,510 |
| Total Receipts | \$9,029,211 | \$2,339,106 |
| Percentage | 3.0% | 1.6% |

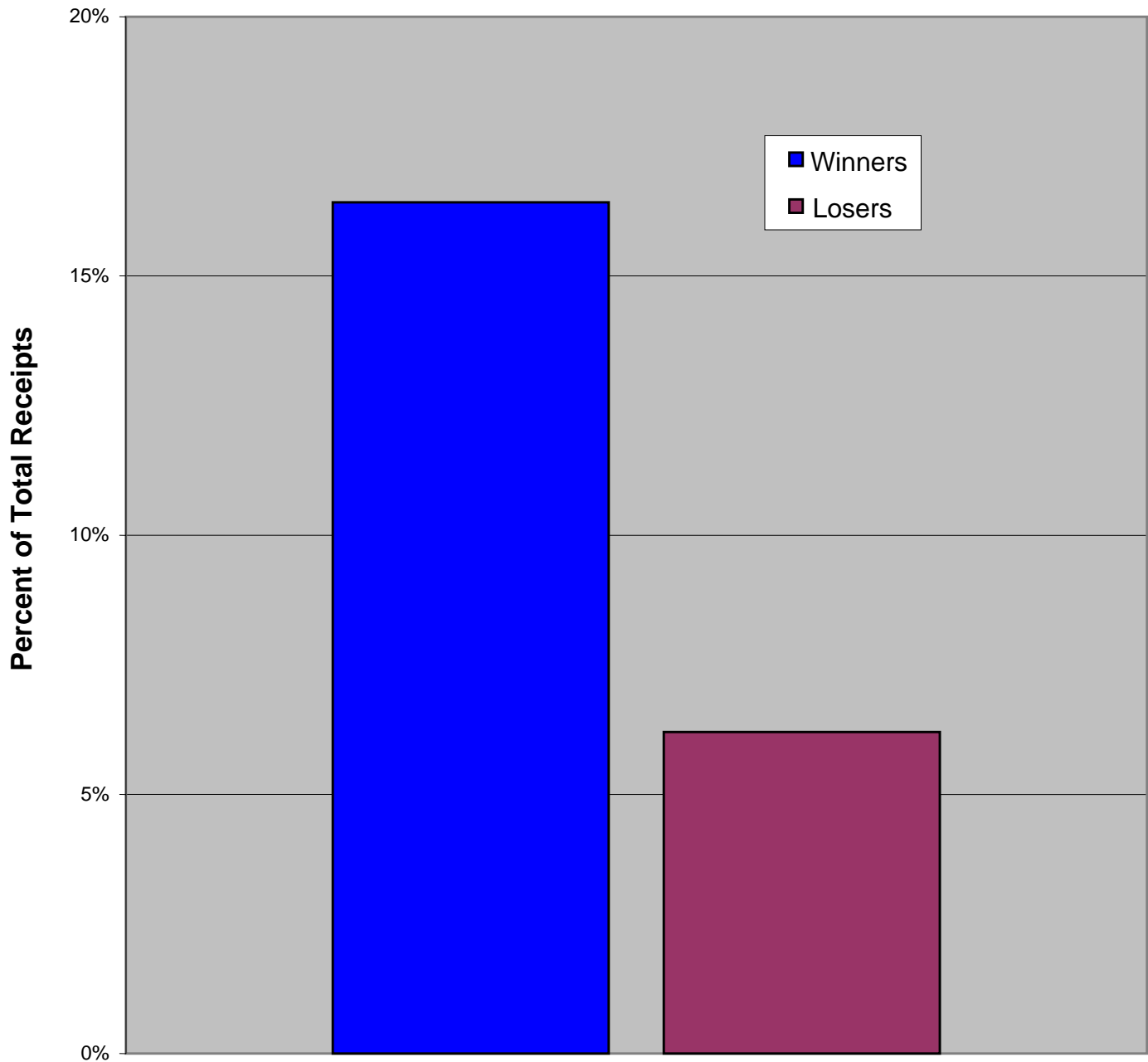
2002 General Assembly Candidates - Percentage of Ad Book Receipts to Total Receipts



| | <i>Incumbents</i> | <i>Challengers</i> | <i>Open Seat</i> |
|-------------------------|-------------------|--------------------|------------------|
| Ad Book Receipts | \$437,340 | \$37,860 | \$45,415 |
| Total Receipts | \$2,331,582 | \$876,065 | \$774,669 |
| Percentage | 18.8% | 4.3% | 5.9% |

Amounts shown are from a 50% sample of General Assembly Districts.

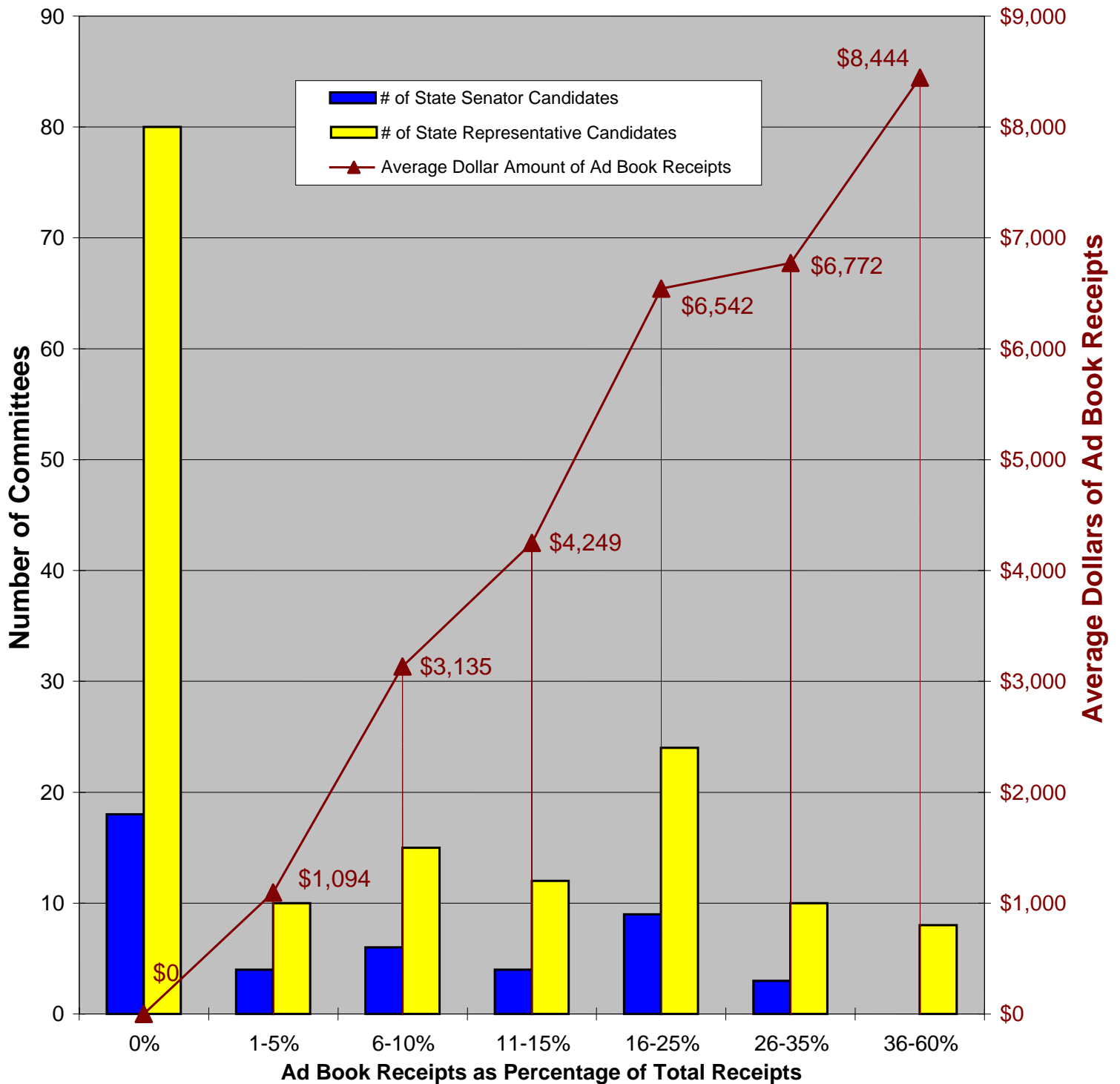
2002 General Assembly Candidate Ad Book Receipts as Percentage of Total Receipts - Winners vs. Losers



| | <i>Winners</i> | <i>Losers</i> |
|-------------------------|----------------|---------------|
| Ad Book Receipts | \$439,709 | \$80,9055 |
| Total Receipts | \$2,677,810 | \$1,304,507 |
| Percentage | 16.4 % | 6.2% |

Amounts shown are from a 50% sample of General Assembly Districts.

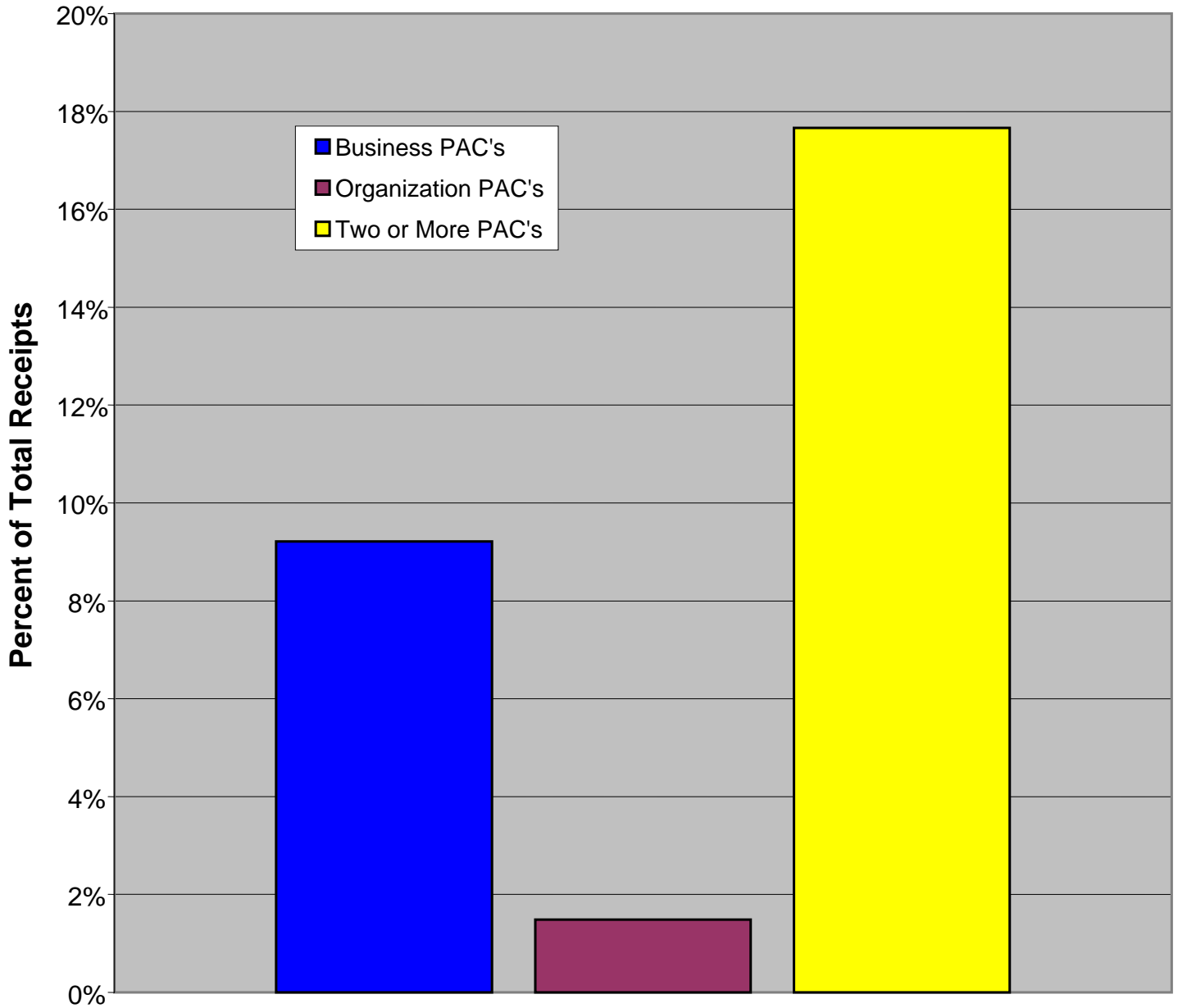
Distribution of Ad Book Receipts General Assembly Candidates



| <i>Ad Book Receipts as Percentage of Total Receipts</i> | 0% | 1-5% | 6-10% | 11-15% | 16-25% | 26-35% | 36-60% |
|---|-----|----------|----------|----------|-----------|----------|----------|
| State Senator Committees | 18 | 4 | 6 | 4 | 9 | 3 | 0 |
| State Representative Committees | 80 | 10 | 15 | 12 | 24 | 10 | 8 |
| Total Ad Book Receipts | \$0 | \$15,310 | \$65,835 | \$67,985 | \$215,900 | \$88,035 | \$67,550 |
| Average Ad Book Receipts | \$0 | \$1,094 | \$3,135 | \$4,249 | \$6,542 | \$6,772 | \$8,444 |

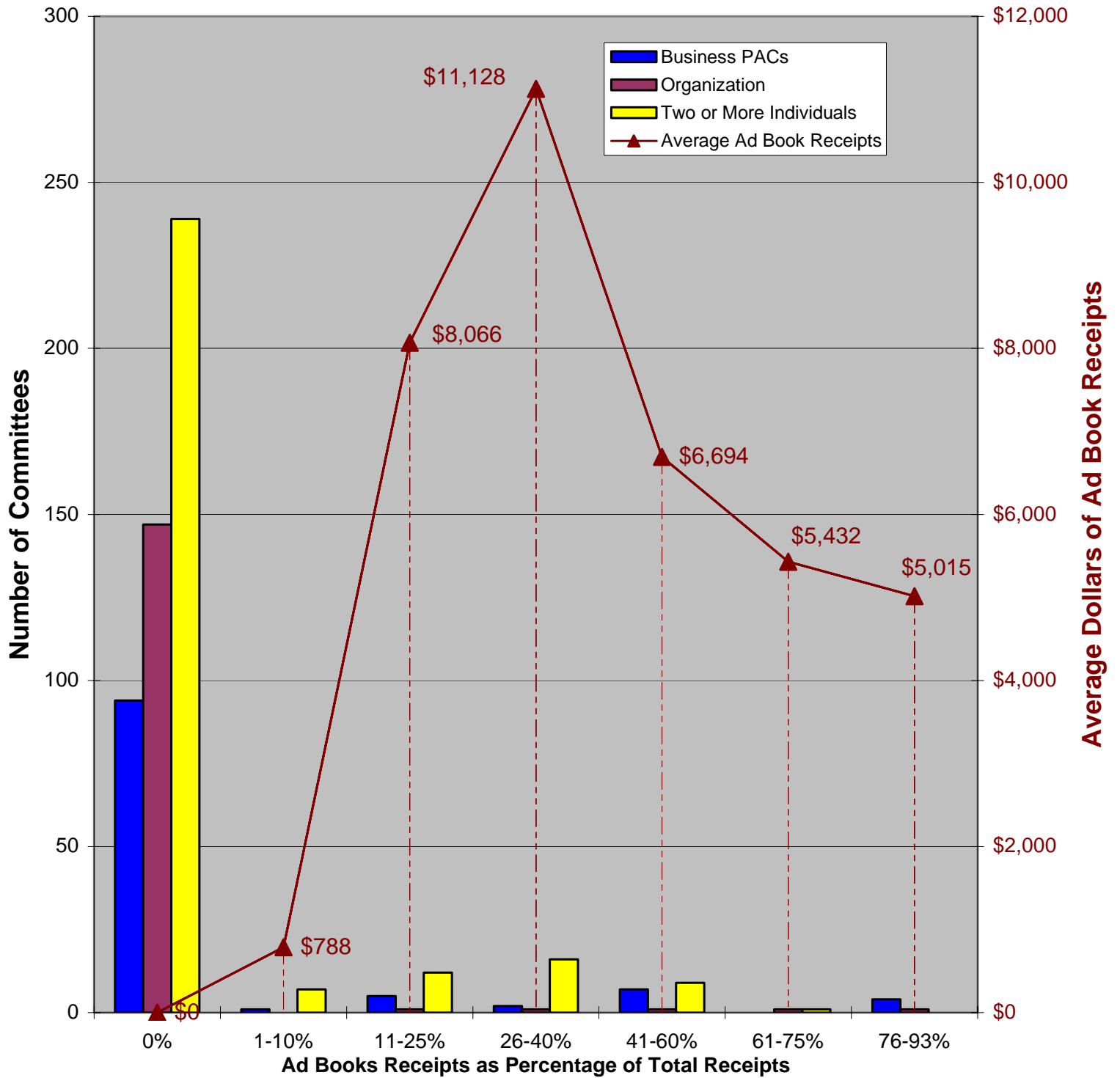
Amounts shown are from a 50% sample of General Assembly Districts.

2002 PACs Ad Book Receipts as Percentage of Total Receipts



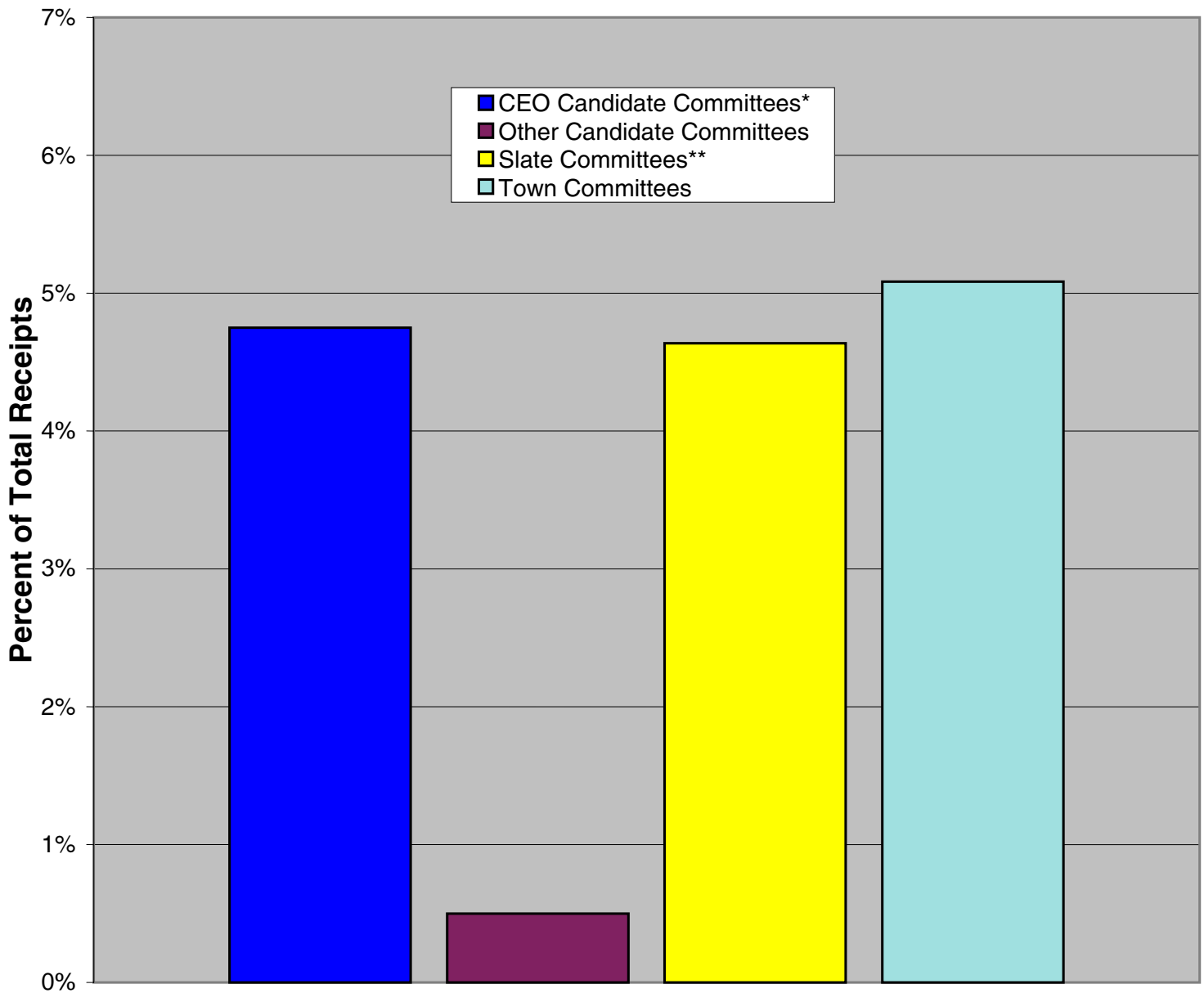
| | <i>Business PACs</i> | <i>Organization PACs</i> | <i>Two or More PACs</i> |
|---------------------------|----------------------|--------------------------|-------------------------|
| Total Funds Raised | \$1,094,145 | \$1,349,249 | \$2,222,309 |
| Ad Book Receipts | \$100,774 | \$20,089 | \$392,525 |
| Percentage | 9.2% | 1.5% | 17.7% |

Distribution of Ad Book Receipts Political Action Committees



| <i>Ad Books as Percentage of Total Receipts</i> | 0% | 1-10% | 11-25% | 26-40% | 41-60% | 61-75% | 76-93% |
|---|-----|---------|-----------|-----------|-----------|----------|----------|
| Business PACs | 95 | 1 | 5 | 2 | 7 | 0 | 4 |
| Organization PACs | 138 | 0 | 1 | 1 | 1 | 1 | 1 |
| Two or More Individuals PACs | 239 | 7 | 12 | 16 | 9 | 1 | 0 |
| Total Ad Book Receipts | \$0 | \$6,300 | \$145,195 | \$211,430 | \$113,799 | \$10,864 | \$25,075 |
| Average Ad Book Receipts | \$0 | \$788 | \$8,066 | \$11,128 | \$6,694 | \$5,432 | \$5,015 |

Ad Book Receipts as Percentage of Total Receipts for Municipal Committees - 2001



| | <i>CEO Candidate Committees</i> | <i>Other Candidate Committees</i> | <i>Slate Committees</i> | <i>Town Committees</i> |
|-------------------------|--|--|------------------------------------|-----------------------------------|
| Ad Book Receipts | \$125,870.00 | \$1,650.00 | \$11,195.00 | \$50,706.00 |
| Total Receipts | \$2,650,846.22 | \$330,157.29 | \$241,509.30 | \$997,518.32 |
| Percentage | 4.7% | 0.5% | 4.6% | 5.0% |

Amounts shown are from a 1/3 sample of Municipalities

* CEO refers to the chief elected officer, e.g. Mayor, First Selectman

** Slate Committee refers to a political committee formed to support multiple candidates running together.